the littlehoards and savings which otherwise would be mempleyed. It agreemed these into a fund which becomes using and powerful in stimulating trade and enterprise. Bere is reason to believe that the national banks organized during the last year in places previously without business facilities have had no little instrumentality in leipting to hear the strain that content with every Autum. They have paid out in their several localities the curency furnished to them, while they have casted eat and talkined for the public good large same of memory apervoonly distributed among and bald by the people in amall amounts; and in this they have contributed to theorems supply of money required in the West, and which otherwise would have been drawn from the Eastern cipes. I therefore do not healtan to recommend that provision be made for the organization of mational banks wherever they may be needed. If, with each million of bush-notes based, a million of legiticality is a substantial to recommend that provision be made for the organization of mational banks wherever they may be needed. If, with each million of bush-notes based, a million of legiticality is a substantial to recommend that the redeemed will be so much larger in proportion thus the funds for its redemption, that the latter was appreciate in value, while the on-hanced cost of redemption, will be a wholescame check upon bank issues. If free banking is made pretructable upon the latter was appreciate in value, while the order of the countries of the correct purposes gradual, and throw the responsibility and every hundred thousand donars of bank notes so inaucit while have a teadency to neckerate the recumption of species purposes, and the wine to redistablish the business and finances of the country on a specie base. Respectfully submitted. Histance R drawning, Controller of the Curragny. The Hon, Geo. 8. Boutwell, Secretary of the Trussing.

APPENDIX TO THE REPORT ON THE CURRENCY. The tabular statements contained in the apix to Controller Hulburd's Report are of too great

	IZ GEN	OWING THE NE	MUNITON OF AM		unt of capt
State		Territory, one Capital paid	the Soch da	y of Repte	nuber, 1871.
States &	10.00	- Capital paid	Herman Ott	(Arculation	in orden or
Territor's.	ratio	r. 10.	us boars		
Maine	€1	#9.125.000 00	\$1,34,250	\$8,414.346	\$1,538,600 00
M Hamp.	42	4,880,000 00	4,515,860	4,835,845	4,341,696 00
Vermon'.	41	7,910,012 :0	7.271.400	3,191,350	6,468,720 00
Mam'chte	2017	189,673,600 10	60.616.414	68,233,960	57,410,R66 00 13,216,666 00
Miles Ist.	62	20,364,810 00	14,851,400	15,001,145	13,230,000 00
Conn'est	81	25,666,670 60	20 1779,41.0	20,443,410	17,000,455 00
N. York.	2.1	115,140,541 00	73,245,500	81.9Co,188	64,018,348 149
N.Jemer	-374	12,340,350 00	11.271,620	14,422,655	10,032,590 00
Penn	1500	51,730,240 10	45,751,750	46,37,610	
Barr Att.	22	13,580,202 50	10,296,750	10,789,210	9,181,306 00
lukan'r.	21	1.122,130 (0	1,453,200	1,477,873	1,303,475 00
Inc. Cal.	: 3	1,350,600 00	1,234,000	1,471,800	3.312 400 40
W. VA	2.0	3 850,000 00	2.911.040	3, de 1, RWD	7,175,140 00
	17	2,621,000 00	2,504,730	2,452,540	19,318,96 00
Olde	1.0	24,349,700 00	21,401,400	22,352,055	12,524,942 (10
Indiana	440	15,152,800 60	14,333,300	14,09: 465	
Illinese	115	15,126,000 00	10,527,580	15,245,100	5,310,360 00
Metig's.	61	7.263,880 00	3,314,250	3,379,750	
W.10	44	3,400,000 (0)	4 764 040	5.146.875	
lens	60	1,997,750 00	2 413 000	2,325,500	
Mina	23	2,472,025 60 650,680 co	785 680	344 800	
HARMA	12	8,895, RC 00	€ 191,350	6.401.650	
M menri.	29	6 118 240 40	0,625,100	5.20,510	5,071,730 60
Vector'en.	19	2.817.300 to	2,706,170	2,656,170	
Lauraca	6	3,500,000 00	2,89,00	2,813,040	
Mar		(Charles to	F,144,144	(6,000)	33,776 00
Sentanes.	5	630,000,00	£40.680	561,100	561.500.00
Coloran	- 4	400,000 00	464,000	363,490	358,990 60
be erren	161	2.381.400 (4)	7 77 400	2.011.300	358,590 60 1,942,743 60
H. C	- 6	1,560,000,00	1.515,100	1,385,300	1,362,300,00
L C	-	1,199,460 40	1.00.00	1,245,40	1,340,150 40
Alchoma		316,23 10	142, 130	164,100	766,783 00
Nevaction.	1	250,000 00	368 (556)	146,200	71.416 00
Uregen.	1	2.0,000 (1)	250,000	136,000	136,000 00
Track		625.000 00	622.000	6-48,300	507,500 60
Actains	2	200,000.00	200,000	199,500	150,000 00
Usat	1	250,000 00	159 000	176,120	1,72,781 00
Metians	1	100,000 (5)	ten enen	90,190	90,000 00
Ida In .	1	100 Me en	- 100,140	54.30	69,500 00
Wiener	1	22,786(-66)	4 (400	27.000	97,646 60
N. M	1	LOGE OF	150 (MQ)	136,100	135,000 00
better it					8 20

Total . 2 1.30,000 to 80 000 45.10
Ratement showing the amount of notes outs \$322,950,080 O

Total 1,502 26

Total amount of Gold Bank notes omistanding Sept. 20, 1871.

Statement showing the embants and kinds of United States beads held by the Pressurer of the United States, to senter the redemption of the circulating notes of National Bunks, on the 30th day of September, 1871.

Registered bunds, act of February 8, 1861. 3, 292,000 kexistered bonds, act of February 26, 1862. 16,524,850 ke gait red bonds, act of February 26, 1862. 3,146,850 ke gaitered bonds, act of February 26, 1862. 33,146,850 ke gastered bonds, net of March 3, 1864. 5 per 102,232,450

metrics bonds, act of March 3, 1865, Consols, 1865—ad series.

Be gatered bonds, act of March 3, 1865, Consols, 1865—ad series.

Be postered bonds, act of March 3, 1865, Consols, 1865—ad series. 33,286,506 Registered bunds, not of July 14, 1876, January 20, 1811 to per count funded loan 77,118,600

Total

National Panks
In the bands of Receivers.

In the b 204 205 85 2,329,723 15 3,513,270 00 The to of the state of the lawful meany reserve of the National Banks of the facted states, as shown by the reports of their condition at the circumstance on the Bulk day of Lecember, 1870.

| Product the Notices | 1,506 | 407,615,031 | 70,142,044 | 56,546,154 | 21,2 | 414,154 | 115 | 262,754,457 | 65,546,154 | 21,2 | 414,154 | 115 | 262,754,457 | 65,546,022 | 15,230,997 | 28,7 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104,154 | 104, Fig. 1. Compared to the control of t

WINE-MAKING IN CALIFORNIA. A writer in the December number of The heritand Monthly, in the course of an article with the

A writer in the December number of The herband Monthly, in the course of an article with the shove caption, gives the following facts:

The best result has followed the experiments, by indicated the course of an article with the show a producers, to make from a single vineyard, and conclusively the non-adaptability of particular vineyards, and even whole districts, to produce certain classes of indexes whole districts, to produce certain classes of wines. Rach district is pead and even whole districts, to produce certain classes of wines. Rach district is peat adaptability or particular vineyards, and even whole districts, to produce certain classes of wines. Rach district is best adapted without the control of the certain class of wine, and that class will be the only one produced there. Thus are our vinters, step by step, emerging from the chaos of inexperime, and equiring additional knowledge. Nearly every breard step was met by inaurmountable difficulties, and most of the early vintners, having commenced without sequate means, and counting too certainly upon the open and quiet profits, became almost hopelessly discouraged by the long time that clapsed before their times ards bore, then by the seemingly low prices their graps: realized, and, last but not least, by the great outlar, attendant upon wine-making. Their troubles had unity commenced when their vineyards began to give fruit. Those who had act out vineyards with the sole interior of selling their graps for table use—and these were the majority—found the marfets overcrowded and the cost of transportation and commissions so high that they were not left a fair profit for the findustry, and were forced to make wine to save themselves. Cellars had to be dug, bouses arectas, preases brills, and casks precured; every thing had to be created, and almost without material. Coopers could not be had for love as money; neither could oak staves. Every available page, cask, and barrel was made to be preased with a view to induce the importation of large size from

THE NAVY. REPORT OF SECRETARY ROBERON. NAVY DEPARTMENT, WARRINGTON, Nov. 26, 1871. Sir: I respectfully submit the following re-

port of the Mayy Department and the naval service for the past year?

The Navy of the United States now consists of 159 ships The Navy of the Unit of States in the Cartesian of the lastes and in all conditions. These are calculated to carry, when in commission for service, 1,550 guns, exclusive of howitzers and small carronades.

Since the date of the last report, the news of the loss of the Sagmaw, on the 24th day of Cotober, 1870, at Ocean Island, in the Pacific, was received at the Department,

and in May last the tog Primroso was sold at the Davy ard in this city.

yard in this city.

Of the 170 ships remaining on the Navy list, 20 aregalling-ships, and the remainder side wheel steamers, or suffice-vessels with auxiliary screws; 58 of them, armed with not guns, are in service, attached to the various fleets and stations as regular cruisers, dispatch boats, hospital, store, receiving, and practice ships; those, with the turn and small vessels in use at the various navy-rards and stations, make the force in commission for all the pur-

Of the remainder, 6 are nearly ready for sea, and will join the various equadrons as soon as their crews can be cultisted and organized; \$2 are mentors, only one of which is now in commission, the balance being laid up at which is now in commission, the ratance being laid up at the various stations, but principally at League Island, where, in the fresh water of the Delaware, their iron bet-toms deteriorate with far less rapidity than in the salt water of the other stations; 17 are is repair at the vari-ous yards; 19 are on the stocks, never having been com-pleted and saunched; and the balance of tilese whose ed and saunched; and the man-ness are on the list are laid up in ordinary.

Of these last a very large proportion, including, as a general proposition, almost all these built of unseasoned white oak, are unfit for use, and cannot be repaired with

Built with great rapidity, of the only material availabl during the pressing emergencies of the war, and many of them designed for special purposes, the necessity of which has passed away, the cost of repairing them would be entirely out of proportion to the results to be obtained. Not only on the shores and among the islands of our continent, but in every scaport of civilized Europe, in Asia, from the shores of the Bosphorus to the head of pavigation on unnamed rivers on the confines of the Chinese Empire, in Japan, in the islands and semi-continents of the East, and among the groups of the Pacific and the Southern Oceans, our citizens claim and need and the Southern Oceans, our citizens craim and need our protection. In every quarter of the known world they are found occupying every field which enterprise dares to invade or energy avails to conquer; and every-where, outside of our own limits, wherever they enter, where, outside or our own limits, wherever they carry with them affirmative, and sometimes aggressive ideas of freedom and progress, antagonistic slike to the traditions, customs, and habits of the people, and the ideas and practices of the local governments.

Such is the result of our progressive civilization upon the enterprising and affirmative spirit of our people. Its effect is apparent in every land that they penetrate; and we cannot afford, either as a Government or as a people to neglect wholly our responsibilities as a representative nation, nor our national obligations to our citizens who,

I feel it my duty again to press these considerations, so often presented already, in the hope that in their own time the representatives of the people will give their at-tention to the situation, and take efficient measures, at

least, to check the decline of our naval power.

The finits and duties assigned to the various cruising stations have not been changed since my last report, and the naval force given to each has not been materially changed. The vessels actually in commission on some of the stations are less in number than formerly; but this decrease is rather apparent than real, for in almost all there has been an actual increase of the active orce. This has been done by putting out of commission force. This has been done by putting out of commission the unwickly iron-clads, which could only lie inactive in harbor or were towed slowly and at great expense from port to port and substituting for them, as far as the Department has been able, small and active cruisers, by which means we are enabled to occupy continually a larger ex-tent of cruising ground and visit more frequently the ports assigned to each station, and generally to render more effective in every department of public affairs where the presence and aid of the Navy is necessary, without great expense of men and money. The force on the North Atlantic Station is still under

ommand of Rear-Admiral S. P. Lee, who held that position at the making of the last report. The force on this station consists of the Severn, the Swatars, the Nanstation, and the Shawmut now on duty there, but ulti-mately destined for the South Atlantic—in all 10 ships, ounting 70 guns, all active cruisers, except the Terror, which is an iron-clad of the Monitor class.

The South Atlantic Station remains, as at the date of he last report, under command of Rear-Admiral Lauman, with a ficet consisting of the Lancaster (fing-ship) the Ticonderoga, and the Wasp, with the Wapming aircady fitted for the station-four ships, mounting 40 gans, beside the Shawmut, detained for the present on daty on the North Atlantic Station.

The feet on the Pacific Station, still commanded by Rear-Admiral John A. Winslow, consists of the Califoris. Pensacola, the Narragansett, the Sa nican, the Resaca, the Ossipee, the Onward, and the St.

nia. Pensacola, the Narragansett, the Saranac, the Mohican, the Resaca, the Ossipee, the Onward, and the St. Mary's—in all nine ships, mounting 29 guns, and divided into two squadrons, viz.: the North Pacific and the South Pacific, commanded respectively by Commodore Roger N. Stembel and Commodore David McDougal.

The European Station is now commanded by Rear-Admiral Charles S. Boggs, who relieved Rear-Admiral Glisson on the 28th day of January last. The ships belonging to this fleet are the Brooklyn, the Plymouth, the Guerriere, the Wachusett, the Shenandosh, the Juniata, and the Walash, with the Congress about to sail—in all cight ships, with 139 guns.

On the Asiatic Station, of which Rear-Admiral John Rodgers is still the commandant, we have the Colorado, the Benicia, the Alaska, the Ashuelot, the Monocacy, the Idaho, and the Pales, with the Saco, now on her way through the Suez Canal, and the Iroquois, under orders to join the squadron—in all nine ships, mounting 97 guns.

Of these ships on the various stations 40 have been more or less relitted and repaired at home or abroad since my last report, and four others, all of the smaller class, now at the various Navy-Yards, will be ready for sea in periods varying from 20 to 80 days.

During the year the Navy has also supplied 16 officers and 220 men for duty in the Coast Eurey service; has completed the survey of the Darlen and Tehnantepee routes, has made extensive survey and somudings for telegraph cables, and, under the direction of Congress, fitted out and dispatched three store-ships loaded with provisions, by the charitable people of our country, for the sufferers from the European war, and has, under the Navy in time of peace, and are proper expenditures of its material force; and while they add to the information of the world, and countribute to civilization and advancement, they afford to the officers and une employed a proper and practical school of service and instruction.

MIDWAY ISLANDS.

In my last annual report it was stated that the work

of deepening the harbor of Midway Islands, prosecuted under the authority of an act of Congress, approved March 1, 1869, would of necessity cease in October, 1870, on account of the exhaustion of the fund appropriated on account of the exhaustion of the fund appropriated for the purpose. Accordingly, work on the cut was discontinued on the 21st of the menth named, and the working party cubarked on the Saginaw, Oct. 28, for San Francisco. Commodore Steard estimates that to complete the canal to a width of 175 feet will require about 46 months' work, at a cost of \$187,000, without counting the cost of removing the debris,or "small stuff." Such would, he thinks, cost as much more. TENUANTEPEC CANAL.

The Department is in receipt of the report and accom-

panying maps of the Tehuantepec surveying expedition, under command of Capt. R. W. Shufeldt, United States This expedition was authorized by act of Congress

This expectation was autorized by act of Congress, and an appropriation made therefore. A small corps of mixed temporary cloud the marfets overcewhed and the cost of transportation and commissions as high that they were not left a fair profit for these industry than they were not left a fair profit for the industry than the day, beause areasted, preases brilling and almost whom in material. Conjects could not be had for love as money that the day of the control of the purpose of surveying the river Contaccalcon and its which material. Conjects could not be had for love as money and barrel was made the of, and extend and barrel was made the of, and extending the control of the purpose of surveying the river Contaccalcon and its was also as a state of the control of the purpose of surveying the river Contaccalcon and its was sufficient to the control of the control and an appropriation made therefor. A small corps of naval officers was detailed for the work, and the steamer

length of such a canal will be ffi miles, including river navigation. It will require locks to overcome a hight of 732 feet. The Contrasocators River, forming the harbor at the Attantic side, is well shaltened, and, will require dredging at only a few scients. The Salina Crus Harbor, on the Parific, is exposed to the sputh winds and a breakwater is proposed, to sorver this readstead into a safe hisrbor. No estimate have been made as to the control the work, since a minute survey of the whole region would have required larger means and more time than were at the disposal of the effect in charge. Full and interesting accounts of the seelogy, natural history, and productions of the colifity accompany the report. DARIES CARAL

The survey of the lathnine of Darien, under Com-mander T. O. Seifridge, which had been interrupted by the advent of the rainy season last year, has been suc-cessfully conducted in spite of the great obstacles met in mander T. O. Selfridge, which had been interrupted by
the advent of the rainy season hast year, has been succeasfully conducted in spite of the great obstacles met in
making way through a dense and almost imponstrable
wilderness. The Guard and Nipsic were destailed for this
service upon the Atlantic coast, and the heava upon the
Preific. Commander Selfridge sailed from New York is
December last. His attention for the past year has been
directed mainly to that pertion of the inthinus bordering
upon the valley of the Atlante, known properly as the
Thyra and Kappir reutes. The route of the Tuyra and
Atrato Rivers had been reperted upon most faverably by
former capiorars, and hopes were enterstimed that these
reports might preve true. Five months were spent in
the examination of this route, a line of levels 129 miles
in one portion was found to be not ever 400 feet in hight,
the very broken nature of the country which was developed seems to reader this portion of the isthmus impresticable for this enterprise. The survey of the Rappir
route has been productive of far more favorable results,
and has illustrated the possibility of a supremal between
the two oceans. The line adopted by Commander Selfridge commences at the mouth of the Atraio, in the Guiof Durien, accorde that river far its miles to the much
of the Napipi, and Genes across, in the velley of the
latter, to the Pacific Ocean, at Capica Bay. The Atraio
is navigable the whole of this distance for the Atraio,
is navigable the whole of this distance for the Atraio.

He had the precipitously to the Pacific.

Commander Selfridge's estimates of construction. The
remaining eight miles present the only engineering obstacles; here the hills rise to a high of the necesaury can is 31-21, the distance from the Atraio, River
to Cupica Bay, of which 25 miles is distance to the Atraio.

Commander Selfridge's estimates of construction. The
remaining eight miles present the only engineering obstacles; here the hills rise to a hight of the necessity openco

SUPPLIES FOR PRANCE AND GERMANY. In pursuance of a resolution of Congress, approved February 10, 1871, three naval vessels, the Worcester, the Supply, and the Relief, were detailed for the transportasupply, and the Relief, were detailed for the transporta-tion of supplies furnished by our people for the suf-ferers of the European war which was then raging. The vessels soon had full cargoes, shipped respectively at Boston, New-York, and Philadelphia, and started on their noble mission; each under instruc-tions to deliver their cargoes at the points designated by the agents of the relief associations of the respective cities. Having successfully fulfilled their instructions, they returned safely to the United States to the ports from which they started. EXPEDITION TOWARD THE NORTH POLE.

By the ninth section of an act approved July 12, 1870, the President of the United States was authorized to organize and send out one or more expeditions toward the North Pole, and to appoint such person or persons as the North Pole, and to appoint such person or persons as he may deem most fitted to the command thereof; to detail any officer of the public service to take part in the same, and to use any public vessel that may be satisfied for the purpose; the scientific operations of the expedition to be prescribed in accordance with the advice of the National Academy of Sciences." Mr. Charles F. Han, a traveles of great experience in that locality, was appointed by your order to command the expedition fitted out under this authority. The Pertivalite, now called the Polaris, a small steamer of 33 tuns, was selected for the service, and thoroughly prepared and strengthened at the Washington Navy-Yard to encounter the perils of polar navigation. Mr. Hall himself was permitted to suggest and supervise the preparation of the vessel, and to recommend the persons selected to accompany him. The Polaris left Washington June 10, arrived at New-York the 14th, completed there her crew and outfit, and sailed the 29th. Touching at New-London, 8t. John's, and Halsteinberg, in Greenland, she reached Godhaven on the 14th of August. The United States steamer Contrast at Godhaven on the 16th of August. The Danish authorities at Godhaven on the 16th of August. The Danish authorities at Godhaven extended every facility to the officers of our snips, and contributed by every means in their power to the success of the expedition. The Polaris took her departure from Goddaven Ang. 17, and reached Upernavik the next day, whence her adventurous crew has sailed into the miknown Northern Geean, full of those and vigor, and bearing with them the good wishes of the world.

COREAN EXPEDITION.

it became necessary to that end that he should visit the capital of the country, or at least put himself in direct communication with the authorities. With this view, and with the assent of the authorities of China, to which commy the Government of Corea is tributary, our Minister salled in May last, from Nagasski to Boisce anchorage, on the Sale River in Corea, in the Colorado, the flag-ship of Rear-Admiral Rodgers, commanding our Asiatic flect. The Admiral was accompanied by the Alaska, the Benicia, the Monocacy, and the Palos. He was ordered thus to transport and convoy the diplomatic representative of our Government, to exhibit, in his behalf, such force as was proper to illustrate his dignity in the cyes of the people, who respect only the exhibition of power, or as might be necessary to insure the safety of the expedition and vindicate, if need be, the honor of the flag. The wisdom and necessity of this policy was shown in the events which followed. After the arrival of the flect at the anchorage, and after communication with and visits from the local anthorities, and the assurance on our part, and understanding on theirs, that the expedition was not only peaceful but friendly in its objects, a surveying party, engaged in the peaceful occupation of making surveys and soundings, in the interest of science and for the safety of commerce, after having been allowed, with the understood consent of the authorities, and without protest or challenge by any one, to pass up the channel to a point past the Corean forts, far separated from and beyond the reach of assistance from the main body of the fleet, was suddenly and treacherously attacked while in the difficult navigation of an unknown passage awept by strong tides and filled with hidden rocks. The aurveying boats were obliged to repuss the forts, under a fire if ire of cannon suddenly opened upon them, and maintained with vindictive spirit and energy. The small vessels which had accompanied the party hurrying into action analysis of the first of the forts, an

BURKAUS. The Naval Observatory has well carned its reputation as an admirable institution, and the works of its officers in late years have placed it in the foremost rank at home and abroad. It is ably and connenteally administered, and I commend it to the favorable consideration of Congress. The Hydrographic Office has, during the pality of the congress. The Hydrographic Office has, during the pality of the congress. The hydrographic Office has, during the pality of the officer in charge and on those attached to the officer in charge and on those attached to the officer in charge and on those attached to the officer. The report of the hydrographer, Capt. H. H. Wyman, is embraced in the report of the Chief of the Bureau of Ravigation. I particularly recommend that some additional appropriation made in order to the officer of the survey of the chief of the work of other metions, has by no means returned to them an equivalent. The means should at least be furnished for the proceedance of the work of other metions, has by no means returned to them an equivalent. The means should at least be furnished for the proceedance of the work of other metions, has by no means returned to them an equivalent. The means should at least be furnished for the proceeding well all their ordinary futics on land and at the same and the waters most travered by our commercial matrice. The Harine Corpe, beades the charging well all their ordinary futics on land and at each per also been called upon several times by the proceeding of the division of the ordinary and revices in this habit they have received the liquids of the Treasury Department.

Ingam call attack to the heeriality of developing our most immercial matture.

Ingam call attack to the heeriality of developing our most immercial matture.

Ingam call attack to the heeriality of developing our most immercial matture. The Naval Observatory has well earned its reputation

of our great Pacific city. At Laggas Island we have hed the same ample ame and water front, and the means of carfly converting to back-claured late in adult near or carfly converting to back-claured late in adult near or carfly converting to be selected in the measurement with made the made will release the idease to a measurement has been able, on the appropriation made has presented in the property of the purpose, to converte the late. The Department has been able, to the fact the property of the purpose of a considerable bear fit the fact channel, and the filling in to a proper trust of phone in a come of the interest of the fact channel, and the filling in to a proper trust of phone in a consecution of the fact had been to be for the select with the fact of the property working your of access them own sings, and readily made in accessible to a boulde fact, will be and and in it from research of the few research and the properties of the few vessels as repulsy proving into favor, surrounded by the shilled isbur of one of our country. With the resources of flars island on the Pacific and Laggas Island on the Allastic shore, fully developed on a wall-considered plan, the country would receive a great accession of strength, and find new bul-warks against foreign aggreeates. At New-Loudon, also, the appropriation of the fact, made by Congress, has been counted took, and that station is now in use for laying up ships in erdinary, as a point convenient to our repair ing-yards at New-York and Boston.

**In March last Lad the heavy to make a report to the

ing-yards at New-York and Hoston.

In March last I had the honor to make a report to the Benate, in obedienes to a resolution of that body, upon the subject of the proposale made to the Department "for establishing iron-ship building-yards and docke to seconomize expenditure in the Navy, and to aid in restoring commerce." This subject is much too comprehending for cursory discussion in this report, but I have aiready, in my first annual report, spoken of its streat importance to every interest of the country, and I hope to be able hereafter to present some system to be matured under the deliberation of Congress.

WAVAL PERSION PUND. The penson-roll on the 1st of November, 1871, was as

The whole expenditure of the Department and the service since the date of the last report is \$19,265,240 52, including the payment of invalid pensions and adjudicated prize-money, and the appropriations of Congress for the payment of bountjes and claims of various kinds to the 1st of the present month. The appropriations for the current fiscal year amount in the whole to \$20,964,

pitals, &c.
Ordinance and Torpedo Corps.
Coal, hemp, and equipments
Navigation, navigation supplies, &c.
Hydrographic work
Naval Observatory, Nautical Almanac, &c.
Repairs and preservation of vessels.
Becam machinery, tools, &c. Provisions
Repairs of hospitals and laboratories
Surgeons' necossaries.
Contingent expenses of various Departments

\$19,925,507 02 and to these is added the sum of \$507,200 for permanent improvements at the several navy-yards and stations. Takes estimates, it will be perceived, are in the aggregate more than \$1,200,000 loss than the estimates made for the current year, and more than \$500,000 loss than the appropriations made by Congress for that period, It must not be forgotten, however, that they are made closely for the mere maintenance of the naval establishment as it is, and that needed improvement demands increase of appropriations.

REDUCTION OF THE NAYY.

Though it is sometimes alleged, as a matter of com-plaint, that there are more officers of the Navy, especially of the higher grades, than are required for the service, yet it is a fact that the whole number of active officers in the higher ranks of the Navy is considerably less now than it was before the war. As a matter of fact, the whole number of officers of th

three highest grades of the Navy (including lieutenants and those above them), on the active list in 1869, was 535, while on the 1st of July, 1871, the number of officers of the active list in the eight highest grades (including heu

gress, described to convey to Greenland such stores of the expedition. The Polaris could not carry, sailed from New-York on the 25th of July, and came up with the Polaris at Godhaven or the 15th of August. The Danish authorities at Godhaven extended every facility to the officers of our ships, and contributed by every means in their power to the success of the expedition. The Polaris took her departure from Goddaven Ang. 17, and reached Upernavik the next day, whence her adventurous crew has suited into the unknown Northers Grean, full of hope and vigor, and bearing with them the good wishes of the world.

COREAN EXPEDITION.

Our Minister to China having been instructed to arrange and conclude, if possible, a convention with the people who occupy the peninsula of Corea between the Yellow Sea and the Sea of Japan, for the protection of sallors and other strangers shipwrecked on their const; thecame necessary to that end that he should visit the capital of the country, or at least put himself in direct communication with the authorities. With this Yew, and with the assent of the authorities of China, to which country the Government of Corea is tributary, our Minister salled in May last, from Nagasaki to Boisec anchorage.

and services of the well-interest street of the late were all states were divided and our fit. The control of the college general properties of of the co

The immane and peaceful policy which his feen inaugurated by the Gavarament in the conduct of Indian
augurated by the Gavarament in the conduct of Indian
augurated by the Gavarament in the conduct of Indian
augurated by the law of April 10, 1860, composed of citizens
that have a fact that the policy and and acting without pay, has accusted in withdrawing from
the Indian survice much that has been heretofore regarded as the source of evil and injustice, and which is
supposed to have prevented the success of pulific measmiss intended as a meson of civilization. The services of
that Beard have excreted a velocomous influence in
contablishing the new policy, and its active aid and cooperation in carrying out the measures of the Government. The members of the Board have visited many of
the tribes of Indiana in the West during the past year,
inspecting their condition, and observing the progress simble the past one peem has been presented expenditured restriction. The latter of spirit he, sim, comparison, and exercise without pay, has asserted a without profit of the latter of spirit he, sim, comparison to the profit of the latter of spirit he, sim, consider the without profit of the latter of the la

THE INTERIOR DEPARTMENT.

REPORT OF SECRETARY DELANO.

DEFINITION DEPARTMENT.

REPORT OF SECRETARY DELANO.

DEFINITION DEPARTMENT.

Sin: I have the honor to submit the following report of the operation of this Department during the year. In preparing it I have compressed it within the narrowest limits possible, and have see employed such suggestions and recompleted on the several hyperam under the isomodiate supervision of this postible.

The honor to submit the following in the narrowest limits possible, and have see employed such suggestions and recompleted to the increase of the several hyperam under the isomodiate supervision of this postible.

The honor to submit the following in the narrowest limits possible, and have see employed the interior management and a capetal blod.

The operation of this possible in the indicated at the indicate of the several hyperam under the isomodiate supervision of this indicate to the recess of the existing policy that the fact of the indicate and requirements in the conduct of Indian affairs for the past two pears has been productive of strategic of the past two pears has been productive of strategic of the indian affairs for the past two pears has been productive of strategic of the indian and i

and to their reservation, and doubtess other tribes will do the same. When the report of the survey is received at the Department I will cause it to be carefully exam-ined, and if any ground exists for supposing it to be urroneous, I will refer the whole subject to the President, and request that the attention of Congress be called to it. Should the survey prove correct, it will so mate-rially disturb the equitable rights of several tribes of Indians as to demand not only the serious consideration of this Department, but probably the attention of Con-cress.

PUBLIC LANDS.

From the report of the Commissioner of the General I and Office, it appears that during the fiscal year coding